

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

AMBASSADOR PUBLICATIONS, L.L.C.,

Plaintiff,

v.

REACHLOCAL, INC. and STEPHAN CESARINI,

Defendants.

07 Civ. 5687 (LTS)

**DECLARATION OF ROBERT C. WRIGHT IN SUPPORT OF DEFENDANTS'
MOTION TO DISMISS OR TRANSFER PURSUANT TO RULE 12(b)(1), (3) AND/OR
(6) OR, IN THE ALTERNATIVE, TO TRANSFER PURSUANT TO 28 U.S.C. § 1404(a)**

I, Robert C. Wright, submit this declaration in support of the defendants' Motion to Dismiss or Transfer this case.

1. I am one of the founders and the Vice President of Business Development of ReachLocal, Inc. ("ReachLocal"). ReachLocal is a defendant in a case now pending in federal court for the Southern District of New York, Ambassador Publications, LLP v. ReachLocal, Inc. and Stephan Cesarini, Case No. 07 Civ 5687 (LTS). A copy of the complaint in the above-referenced matter is annexed hereto as Exhibit A.

2. I live in Southern California. I work at ReachLocal's headquarters in Southern California; more specifically, at 21700 Oxnard St., #1600, Woodland Hills, CA 91367.

Background

3. ReachLocal is in the local search advertising business. The software ReachLocal provides enables its customers to set up, maintain, track and analyze local internet advertising campaigns. ReachLocal serves businesses looking to advertise in local markets rather than those looking to advertise on a nationwide scale.

4. ReachLocal delivers easy-to-use proprietary technology and return-on-investment focused tools (the "ReachLocal Service") to help businesses run successful local Internet advertising campaigns ("Advertisers").

5. The ReachLocal Service is designed to ensure that an Advertiser's Internet advertisements appear prominently among the search results when a local customer enters certain keywords on leading search sites, such as Google, Yahoo!, MSN and AOL.

6. ReachLocal markets the ReachLocal Service through two channels. First, ReachLocal contacts Advertisers through its own sales force (i.e., ReachLocal engages in direct marketing). When ReachLocal engages in direct marketing, it bills and collects payment directly from the Advertiser. Second, ReachLocal enlists independent sales agencies ("Agencies") who serve as resellers of the ReachLocal Service (i.e., ReachLocal engages in indirect marketing). In many cases, when ReachLocal engages in indirect marketing, it bills and collects payment from the Agencies, who, in turn, bill and collect payment from the Advertisers.

The Agreements

7. A party interested in the ReachLocal Service becomes an Agency in the following manner. First, the party opens an account with ReachLocal so that it can access the ReachLocal Service. In order to do so, however, the party must first sign and agree to the Account Terms & Conditions Agreement (the "Account Agreement"). The Account Agreement governs the agency's use of the account and access to the ReachLocal Service. Second, the party agrees to the Agency Program Terms & Conditions Agreement (the "Agency Agreement"). The Agency Agreement permits the party to service Advertisers through the party's ReachLocal account. Thus, an interested party must sign both agreements in order to become an Agency.

8. In or around April of 2005, Richard Hargrave, Vice President of Internet of Ambassador, contacted ReachLocal about the possibility of becoming a ReachLocal agency. I corresponded with Mr. Hargrave over the course of several weeks. During that time, we negotiated the terms of both the Agency and Account Agreements. Both Ambassador and ReachLocal had the assistance of legal counsel.

9. On or about June 25, 2005, Ms. Hipple, CEO of Ambassador Publications, signed and executed the Agency and Account Agreements. True and correct copies of the Agency and Account Agreements are annexed hereto as Exhibits B and C, respectively.

10. While Ambassador sought and obtained concessions with respect to provisions contained in the Agreements, it never once objected to the forum selection clause.

Parties and Witnesses

11. ReachLocal is headquartered in Southern California.

12. ReachLocal's Chief Executive Officer, Zorik Gordon, also a founder of the company, works and resides in Southern California.

13. Some fifty ReachLocal employees live and work in Southern California, including all four of the company's founding members.

14. All of the software engineers who maintain the ReachLocal Service live and work in Southern California. More than ten of the software engineers who developed the ReachLocal Service live and work in Southern California. To the best of my knowledge, none work or reside in New York.

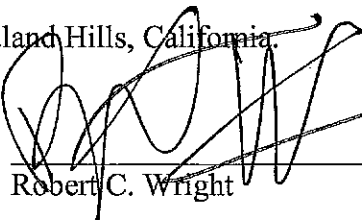
Documents and Data

15. The ReachLocal Service is housed and maintained at ReachLocal's headquarters in Southern California.

16. ReachLocal's books and records are housed and maintained at ReachLocal's headquarters in Southern California.

I declare under penalty of perjury that the foregoing is true and correct, pursuant to 28 U.S.C. § 1746.

Executed on June 20, 2007, at Woodland Hills, California.



Robert C. Wright